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EXAMINER

FISHER, MICHAEL J

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/752,809
Filing Date: December 27, 2000
Appellant(s): WEED ET AL.

Jeanette S. Harms
(Reg # 35,537)
For Appellant

EXAMINER'S ANSWER

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This is in response to the appeal brief filed 4/18/07 appealing from the Office action mailed 11/2/06.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

6) Grounds of Rejection to be Reviewed on Appeal

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The appellant's statement of the grounds of rejection to be reviewed on appeal is correct with the addition of the New Ground of Rejection discussed below:

NEW GROUND(S) OF REJECTION

Claims 1-25,28-71 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

Dallmeyer, National Security and the Semiconductor Industry, 1978, Technology Review, v90,n8,p46 (8), entire document.

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

NEW GROUND(S) OF REJECTION

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-25,28-71 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Based on Supreme Court

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precedent a method claim must (1) be tied to another statutory class of invention (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)). A method claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here claims 1-25,28-71 fail to meet the above requirements since there is not a sufficient tie to another statutory class.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

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Claims 1-25 and 28-71 are rejected under 35 U.S.C. 103(a) as being unpatentable over National Security and the Semiconductor Industry by Dallmeyer.

Note: the page numbers used will be as provided and not as originally published. As to claims 1,28 and 53, Dallmeyer discloses providing a subsidy for manufacturing integrated circuits (pg 2, lines 44-46), which is done by a set of one or more (any manufacturing would inherently and necessarily be done by "one or more" else there would be none to do it). Dallmeyer does not, however, teach the integrated circuits as containing phase-shifted masks, or specifically include a facilitator and further, receiving, by said facilitator, compensation for the subsidies based on market success.

Dallmeyer does teach actually giving the subsidies, therefore, there would inherently need to be a facilitator as there would, of necessity, be someone to lead the organization giving the subsidies. Dallmeyer further discloses the subsidies as being useful for advanced technology, which includes phase-shifted masks. Further, it would have been obvious to one of ordinary skill in the art to tie the subsidies into market factors, such as price, else the program could become excessively wasteful for the subsidizer as they subsidize a product that does not need subsidy.

As to claims 2,29,53 as Dallmeyer discloses the Department of Defense as being the subsidizer, it would be inherent that they require that particular population of designs useful to them. Further, it would be inherent that the subsidies would be based on market success of the items, as this is what affects price as is shown in the law of supply and demand.

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As to claims 3,30,55, it would be obvious to one of ordinary skill in the art to use the cost of less expensive types of chips else the manufacturer could be offered too small an incentive to build the chip or too much and thereby unnecessarily expand their profits.

As to claim 4, it would be inherent that the facilitator is paid and further, that the manufactured products are used.

As to claims 5,32,57, this is considered to be intended use of the product and therefore, not patentably distinct. Specifically, whether to sell or rent the product.

As to claims 6,33,56,58, it would be obvious to one of ordinary skill in the art to tie the pay of the facilitator with the overall revenue as the higher the revenue, the more work involved and thus, the more the facilitator deserves as compensation.

As to claims 7,21,31,34,48,59,69, it is very well known in the art to receive a volume discount, therefore, it would have been obvious to one of ordinary skill in the art to provide a volume discount to incentivize the facilitator to choose them for manufacture of the masks.

As to claims 8,35,60 it is well settled in case law that duplication of parts is has no patentable significance (St. Regis Paper co. V. Bemis Co., Inc 193 USPQ 8, 11 (7th Cir. 1977), it would have been obvious to one of ordinary skill in the art to allow another, friendly, government to subsidize the manufacture as they would also need the chips.

As to claims 9,10,36,37,61,62, Dallmeyer discloses there being a plurality of manufacturers (pg 2, line 46, "Sematech, a new *consortium*").

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As to claims 11,38, it would be inherent that the products meet minimum requirements else the masks could be substandard and therefore not usable.

As to claims 12,13,14,39,40,41,63,64, 65,66, it would be obvious to one of ordinary skill in the art to investigate which manufacturer could best meet the needs of the government and, therefore, for the facilitator to choose the best manufacturers.

As to claims 15,42, reticles are very well known in the art to be included in phase-shifted masked integrated circuits and therefore, it would have been obvious to one of ordinary skill in the art to use reticles as criteria as these are important to the functioning of the product.

As to claims 16,43, it is inherent that the reticle would have information about itself contained on itself.

As to claims 17,44,67, it is very well known in the art to conduct quality assurance tests on manufactured items. Therefore, it would have been obvious to one of ordinary skill in the art to use quality assurance testing to ensure that the manufactured items are not substandard and therefore, unusable.

As to claims 18,45,68, it would have been obvious to one of ordinary skill in the art to perform the quality assurance testing before using the product else a substandard product could be used.

As to claims 19,46 as best understood, a stepper simulation tool is very well known and it would have been obvious to one of ordinary skill in the art to use one to determine which flaws would have to be corrected else unnecessary costs could be incurred by unnecessary repairs to equipment.

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As to claims 20,47 it would have been obvious to one of ordinary skill in the art to adjust the parameters of the stepper to ensure that it functions properly.

As to claims 22,49,70 it is very well known in the art to commission a particular number of manufactured goods, usually correlating with the amount needed. Therefore, it would have been obvious to one of ordinary skill in the art to contract the volume to meet current and projected future needs and further, to exercise an option if the product meets requirements.

As to claims 23,24,50,51, it would have been obvious to one of ordinary skill in the art to use the count on the stepper (as a counter device placed on the mask) to determine the volume for the discount, as the stepper would count those used.

As to claims 25,52,71, it is very well known in the art to watermark masks, therefore, it would have been obvious to one of ordinary skill in the art to watermark the masks as this would allow to know which manufacturer had produced the mask in case of either very good or very bad quality.

(10) Response to Argument

As to arguments that the prior art fails to teach a facilitator, the examiner agrees that a facilitator is not specifically mentioned, as discussed in the above rejection. However, there must inherently be a "facilitator" (the person in charge who "facilitates" the subsidy). The compensation must be taken (by the government) and received and disbursed. The examiner further agrees that the prior art does not specifically teach basing the compensation on market factors. However, as discussed, it would be

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obvious to do so. As the prior art discloses, the microchip industry is having a problem staying competitive (i.e. it's not making money, i.e. it has bad market success), and therefore, needs subsidies. Further, while not claimed, it would be obvious to tether the amount of the subsidy to market success to ensure efficiency. For instance, if a company is almost making a profit, the subsidy would need to be less than for a company that is losing substantially more money.

Further arguments are merely assertions that the prior art does not teach a limitation. As with the above arguments, the examiner agrees and this is what necessitated the rejection under 35 U.S.C. 103. However, appellant has not argued the examiner's motivation to modify and/or read inherent limitations and as such, are not proper arguments. Appellant argues, on pg 14 of the instant appeal brief, that the motivation has been argued before, the examiner disagrees. For instance, in argument of claims 5,32 and 57, the appellant merely states, "Dallmeyer teaches nothing about a party.... paying the facilitator for rental of a product that was subsidized by the facilitator." Which was rejected as the examiner does not believe that renting or selling (as intended use, as discussed) would make the instant application patentably distinct, appellant has not claimed that there is a patentable distinction, merely that this is not present.

As such, further arguments not tethered to arguments in relation to the examiner's reason for modifying the prior art will not be treated.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section (9) above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte dismissal of the appeal* as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to

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reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

Michael J. Fisher

Patent Examiner

GAU 3629

Conferees:

Michael Fisher

/Michael J Fisher/

Examiner, Art Unit 3689

John Weiss

/John Weiss/

SPE, Art Unit 3629

Janice Mooneyham

/Janice Mooneyham/

SPE, Art Unit 3689

A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (9) above by signing below:

WYNN W. COGGINS
TECHNOLOGY CENTER DIRECTOR

